

Message Text

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ACTION TRSE-00

INFO OCT-01 EA-07 NEA-10 ISO-00 IO-13 H-01 L-03 PRS-01

SP-02 USIA-06 AID-05 EB-07 NSC-05 EPG-02 SS-15

STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /104 W

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P R 130800Z JUL 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2269

INFO AMEMBASSY COLOMBO

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USADB

E. O. 11652: ADS, DECLAS 10/13/77

TAGS: EAID, EFIN, CE

SUBJECT: SRI LANKA EARTH SATELLITE STATION PROJECT: REQUEST BY
BORROWER TO UTILIZE SAVINGS FROM THE LOAN

SUMMARY: ADB APPROVED TWO LOANS EARLIER TO GOVERNMENT OF
SRI LANKA FOR SUBJECT PROJECT TOTALING \$5.1 MILLION.
ON COMPLETION OF PROJECT, TOTAL FOREX COMPONENT IS EXPECTED
TO REACH \$4.284 MILLION, APPROXIMATELY \$0.716 MILLION LESS
THAN AGGREGATE OF TWO LOANS. ADB PRESIDENT PROPOSES TO
APPROVED GOVERNMENT REQUEST TO UTILIZE ABOUT \$0.525 MILLION
OF LOAN BALANCE TO PROCURE THREE ADDITIONAL ITEMS WHICH
ARE COMPLEMENTARY TO PROJECT. USADB DOES NOT PLAN TO OBJECT.
END SUMMARY.

1. ADB DOC. R72-77 DESCRIBING PROPOSED UTILIZATION OF
SAVINGS FROM LOAN PROCEEDS POUCHED ADDRESSES JULY 12.

2. ADB APPROVED \$3.6 MILLION LOAN IN SEPTEMBER 1971 AND
\$1.5 MILLION LOAN IN OCTOBER 1974, BOTH TO GOVT OF SRI LANKA

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FROM SPECIAL FUNDS, FOR TOTAL OF \$5.1 MILLION TO
FINANCE EARTH SATELLITE STATION PROJECT. PROJECT BECAME
PARTIALLY OPERATIONAL IN DECEMBER 1975(WITH COMPLE-
TION OF EARTH STATION AND MICROWAVE LINK) AND, EXCEPT FOR
MAINTENANCE CENTER, WHICH IS EXPECTED TO BE COMPLETED BY
AUGUST 1977, BECAME FULLY OPERATIONAL IN NOVEMBER 1976.

3. REVIEW MISSION IN APRIL 1976 REPORTED THAT UNDER-UTILIZATION OF ABOUT \$762,000 IN LOAN FUNDS COULD BE EXPECTED UPON PROJECT COMPLETION. EXECUTING AGENCY, OVERSEAS TELECOMMUNICATION SERVICES DIVISION (OTS), REQUESTED BANK APPROVAL TO UTILIZE BALANCE FOR PROCUREMENT OF (A) TWO ADDITIONAL RECEIVE CHAINS, (B) 24 ADDITIONAL CIRCUITS IN INTERNATIONAL SWITCHING CENTER, (C) EQUIPMENT RELATED TO INTRODUCTION OF NEW TYPE OF SATELLITE, (D) ADDITIONAL TESTING INSTRUMENTS, (3) ADDITIONAL SPARE PARTS, AND (F) OPERATOR TRAFFIC RECORDING EQUIPMENT. IN JUNE 1976, UPON RECOMMENDATION OF REVIEW MISSION, MANAGEMENT APPROVED PROCUREMENT OF ITEMS (D) AND (E) AS BEING SIMILAR TO THOSE CONTAINED IN APPROVED SCOPE OF PROJECT AND AS AMOUNT INVOLVED WAS SMALL. MANAGEMENT ALSO ACCEPTED MISSION'S RECOMMENDATION THAT NEED FOR REMAINING ITEMS WAS FUNCTION OF TRAFFIC VOLUME; COULD NOT BE ASSESSED BECAUSE OF SHORT PERIOD WHICH EARTH STATION HAD BEEN IN USE; AND SHOULD BE REVIEWED WHEN ADDITIONAL TRAFFIC INFORMATION COVERING LONGER PERIOD WAS AVAILABLE.

4. IN NOVEMBER 1976, OTS DECIDED NOT TO PROCURE ITEM 3(C) ABOVE. IN JANUARY 1977, BORROWER REQUESTED BANK APPROVAL TO UTILIZE PART OF LOAN BALANCE TO PROCURE THREE REMAINING ITEMS, ALL OF WHICH ARE COMPLEMENTARY TO PROJECT. REVIEW MISSION WAS SUBSEQUENTLY SENT TO SRI LANKA TO PREPARE LIMITED OFFICIAL USE

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REVISED TRAFFIC FORECAST BASED ON ACTUAL TRAFFIC DATA FROM TIME EARTH STATION CAME INTO OPERATION AND TO OBTAIN SUFFICIENT INPUT IN ORDER TO DETERMINE IF THESE THREE COMPONENTS WERE WARRANTED.

5. OF \$5.1 MILLION IN TWO BANK LOANS FOR SUBJECT PROJECT, \$4.118 MILLION WAS UTILIZED AS OF FEBRUARY 28, 1977. TOTAL FOREX COMPONENT IS EXPECTED TO REACH \$4.284 MILLION, OR ABOUT \$0.716 MILLION LESS THAN AGGREGATE AMOUNT APPROVED, WHICH REPRESENTS SAVINGS ON AUTOMATIC INTERNATIONAL SWITCHING CENTER (\$0.428 MILLION) AND UNALLOCATED (CONTINGENCY) CATEGORY (\$0.288 MILLION).

6. AFTER REVIEW OF ALL RELEVANT DATA AND PERTINENT FACTORS, ADB PRESIDENT RECOMMENDS BOARD APPROVAL TO UTILIZE \$0.525 MILLION TO PROCURE ITEMS (A), (B) AND (F), PARA. 3 ABOVE. THIS WOULD REPRESENT RETURN TO LARGE EXTENT TO ORIGINAL CONCEPT OF PROJECT. TO ALLOW FOR PROCUREMENT AND INSTALLATION OF THESE ITEMS, CLOSING DATE FOR LOAN WITHDRAWALS WOULD ALSO BE EXTENDED FROM SEPTEMBER 30, 1977 TO DECEMBER 31, 1978. IN ABSENCE OF OBJECTION OR REQUEST FOR DISCUSSION BY C.O.B. JULY 21, RECOMMENDATION WILL

BE DEEMED TO HAVE BEEN APPROVED. USADB DOES NOT PLAN
TO OBJECT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: SATELLITES, LOANS
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: DG ALTERED
Executive Order: N/A
Errors: N/A
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1879160
Secure: OPEN
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Subject: SRI LANKA EARTH SATELLITE STATION PROJECT: REQUEST BY BORROWER TO UTILIZE SAVINGS FROM THE LOAN SUMMARY:
ADB APPROVED TWO LOANS EARLIER TO GOVERNMENT
TAGS: EAID, EFIN, ETEL, CE, ADB
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/e5f7576c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
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22 May 2009
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